COMMONWEALTH OF MASSACHUSETTS
Prompt Pay Discount Form

<u>Prompt Payment Discounts (PPD)</u>. All bidders responding to this procurement must agree to participate in the Commonwealth Prompt Payment Discount (PPD) initiative for receiving early and/or on-time payments, unless the bidder can provide compelling proof that it would be unduly burdensome. PPD benefits both Contractors and the Commonwealth. Contractors benefit by increased, usable cash flow as a result of fast and efficient payments for commodities or services rendered. Contractors who also participate in the Electronic Funds Transfer initiative will maximize their benefit by ensuring that funds are paid directly to their designated accounts, thus eliminating the impact of check clearance policies and traditional mail lead time or delays. The Commonwealth benefits because contractors reduce the cost of products and services through the applied discount. Payments that are processed electronically can be tracked and verified through the Comptroller's Vendor Web system. The PPD offering form can be found on Comm-PASS under Forms and Information.

Bidders must submit agreeable terms for Prompt Payment Discount offerings using the PPD offering form within their proposal, unless otherwise specified by the PMT. The PMT will review, negotiate or reject the offering as deemed in the best interest of the Commonwealth.

The requirement to use PPD offerings may be waived by the PMT on a case-by-case basis if participation in the program would be unduly burdensome on the bidder. If a bidder is claiming that this requirement is a hardship or unduly burdensome, the specific reason must be documented in or attached to the PPD offering form. The PMT will consider such requests on a case by case basis.

Bidder Name:	
Date of Offer for Prompt/Early Payment Discount:	

All discounts offered will be taken in cases where the payment date is within the specified number of days listed below and in accordance with the Commonwealth's Bill Paying Policy MMARS Memo #289. The turn-around-time for payments will be measured from a) date services were rendered, goods received or b) receipt of a valid invoice, whichever is later. If internal systems require an alternate method of measuring payment turn-around times, Bidder must note issues below to be considered by the PMT.

In cases where the Bidder considers offering a Prompt/Early Payment discount to be a hardship, the Bidder must clearly define the issues and reasons for said hardship.

In the example below, the Bidder is proposing that payments made within 10 days of invoice will receive a 5% discount off of the contract price; payments that are made within 20 days of invoice will receive a 3% discount off of the contract price and; orders paid on time, within 30 days of invoice will receive a 1% discount off of the contract price. The example is supplied for the sole purpose of demonstrating how the table should be filled out below. The back of this form is intentionally left blank for the bidder to include comments, conditions or clarifications to the discounts proposed below.

% Discount Off of Proposed Pricing	Turn-around-time for Payments
Example: 5%	**Example: 10 Days**
Example: 3%	**Example: 20 Days**
Example: 1%	**Example: 30 Days**

☐ I cannot offer a prompt pay discount because: _____

_____